<u>23</u> 2-25-06

City of Alexandria, Virginia

MEMORANDUM

DATE:

FEBRUARY 21, 2006

TO:

THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM:

JAMES K. HARTMANN, CITY MANAGER

SUBJECT:

ACQUISITION OF 0 PRINCE STREET AND 200 STRAND STREET -

SECTION 9.06 REPORT OF THE PLANNING COMMISSION

ISSUE: Acquisition of properties at 0 Prince Street and 200 Strand Street, pursuant to the provisions of Section 9.06 of the City Charter.

RECOMMENDATION: That City Council receive the report of the action of the Planning Commission in regard to the acquisition of the properties at 0 Prince Street and 200 Strand Street.

BACKGROUND: As previously authorized by Council, the City has entered into an agreement to purchase two parcels of land on the City's waterfront. Section 9.06 of the City's Charter requires that the Planning Commission approve any acquisition or sale of public land. The Planning Commission's role is one of ensuring that any such acquisition, sale or change is consistent with the City's Master Plan.

The City's Open Space Plan, adopted in 2003 as a chapter of the City's Master Plan, identifies the land along the Potomac River as a significant open space asset, and part of the City's "green crescent" connection of trails and open spaces. A goal of the Plan is the completion of the Potomac River waterfront corridor. The Plan specifically recommends, as a high priority, acquiring all or part of the Strand properties. In furtherance of the Plan, Council adopted a list of Priority Sites for acquisition in 2004, and the Strand properties were identified as priority sites for acquisition. The City will be financing the acquisition cost of these two parcels with funds derived from City Council's dedication of one-cent of the City's real estate tax rate for open space acquisition.

The two properties under consideration are part of what is commonly known as "the Strand." 0 Prince Street is a 7,765 square foot lot, and 200 Strand Street contains 11,562 square feet. The two lots represent 35% of the Strand properties that the City is seeking to acquire. The parcels are occupied by several buildings, dining cruise ship operations, and part of a commercial parking lot.

After the City purchases the property, the current owners of the two properties would be leasing back the properties from the City for a one-year period. They plan to continue their existing business operations (the retail store and commercial parking lot operations) during the one-year period, as well as continue to lease part of their property and to provide water access to the business which operates the two commercial dining ships. These ships moor, board and unboard their customers at the Strand properties. After the one-year lease period, it would be the City's intent to continue to lease to the commercial dining operation at that site until such time that a decision is made (and implemented) in regard to the overall Strand-area waterfront plan, including a more long-term location (either at the current or at a nearby location) for the dining vessel operations. These dining vessel operations are part of the active use of the waterfront in the City, and represent the type of waterfront-related business that the City would want to retain over the long term. The public planning process to develop specific plans for the long term use of the waterfront area between Duke Street and the City's Marina are scheduled to commence this spring.

Given that the waterfront planning process will begin this year, it is not possible at this time for the City to state exactly where the dining vessel operations (and related parking) would be located over the long term. However, the City has had discussions with the current dining vessel operator and has indicated that this is a business which the City wishes to keep as part of the waterfront, and as a result we will work cooperatively in the waterfront planning processes towards that end.

The proposed purchase of these two key waterfront properties represents a significant commitment by the City to the implementation of its Open Space Plan, and to Council's Strategic Plan. The upcoming waterfront planning process will determine the future of these two parcels and the remaining Strand parcels to be purchased, how these two parcels will be used, and how much open space and open space related uses will be placed on these two parcels. This will be determined as part of the waterfront planning process. If non-open space uses are placed on properties purchased with open space funds, then the open space fund account would be reimbursed accordingly.

FISCAL IMPACT: The acquisition of these two properties will require expenditure of \$2.8 million from the City's Open Space fund.

STAFF:

Mark Jinks, Deputy City Manager Richard Josephson, Deputy Director, Planning and Zoning Docket Item #11 CITY CHARTER, SECTION 9.06; CASE #2006-0001

Planning Commission Meeting February 7, 2006

ISSUE: Consideration of a proposal by the City of Alexandria to acquire the

properties at 0 Prince Street and 200 Strand Street, pursuant to the provisions

of Section 9.06 of the City Charter.

LOCATION: 0 Prince Street and 200 Strand Street

Tax parcels 75.03-11 and 12

ZONE: W-1/Waterfront Mixed Use

<u>PLANNING COMMISSION ACTION, FEBRUARY 7, 2006:</u> On a motion by Mr. Leibach, seconded by Mr.Komoroske, the Planning Commission voted to approve the acquisition of the property pursuant to Section 9.06 of the City's Charter, subject to compliance with applicable codes, ordinances and staff recommendations. The motion carried on a vote of 7 to 0.

<u>Reason:</u> The Planning Commission agreed with the staff analysis.

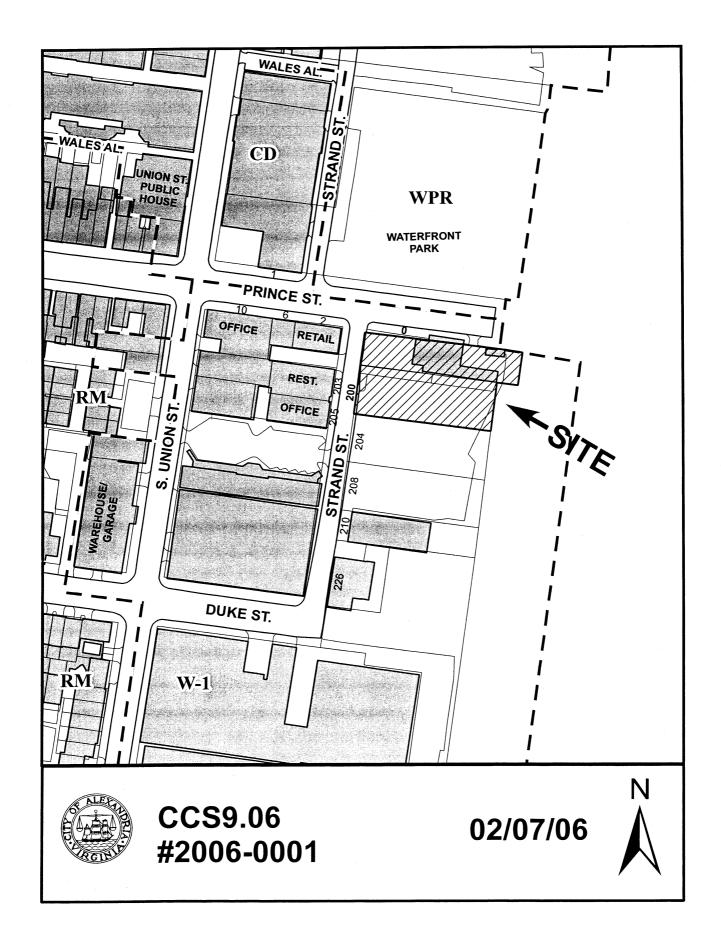
Speakers:

Julie Crenshaw spoke in support of the request. She asked how the property would be funded if the entire property is not used for open space.

Mark Jinks clarified that open space funds would be used for the purchase of the property. He also indicated that open space funds can be used for any open space related uses. If, as a result of the waterfront planning process, some of the property is not designated for use as open space or open space related use, the City would use another source of funds to re-imburse the open space fund.

Judy Noritake spoke in support of the request. She stated that the purchase of the property is consistent with the City open space plan and is a good use of the City's open space funds.

RECOMMENDATION: That the Planning Commission approve the acquisition of the properties as consistent with the City's Master Plan.



CITY CHARTER SECTION 9.06 CASE #2006-0001 0 PRINCE STREET AND 200 STRAND STREET

DISCUSSION

The City has entered into an agreement to purchase two parcels of land on the City's waterfront. Section 9.06 of the City's Charter requires that the Planning Commission approve any acquisition or sale of public land and any change in streets, squares, parks, public buildings or spaces. The Planning Commission is charged with ensuring that any such acquisition, sale or change is consistent with the City's Master Plan.

Property Description

The two properties under consideration are part of what is commonly known as "the Strand," and have long been owned by the Richards family. 0 Prince Street is a 7,765 square foot lot, and 200 Strand Street contains 11,562 square feet. The parcels are occupied by several buildings, dining cruise ship operations, and part of a commercial parking lot.

Alexandria Master Plan

Adopted in 2003, the City's Open Space Plan, which is a chapter of the City's Master Plan, identifies the land along the Potomac River as a significant open space asset, and part of the City's "green crescent" connection of trails and open spaces. A goal of the Plan is the completion of the Potomac River waterfront corridor, and the Plan specifically recommends, as a high priority, acquiring all or part of the Strand properties. In furtherance of the Plan, Council adopted a list of Priority Sites for acquisition in 2004, and the Strand properties were identified as an immediate priority acquisition. The City will be financing the acquisition cost of the Richards parcels with funds derived from City Council's dedication of one-cent of the City's real estate tax rate for open space acquisition.

Future Use of the Property

The current owners of the properties will lease the property back from the City for one year, during which all current commercial activities on the properties will continue. This one-year period will allow the City to develop specific plans for the properties and water related uses. The public planning process to develop specific plans for the long term use of the waterfront area between Duke Street and the City's Marina are scheduled to commence this spring.

CITY CHARTER SECTION 9.06 CASE #2006-0001 0 PRINCE STREET AND 200 STRAND STREET

Analysis

The proposed purchase of these two key waterfront properties represents a significant commitment by the City to the implementation of its Open Space Plan, and to Council's Strategic Plan, which envisions serious efforts to ensure a quality of life for all of its citizens. Although the entire property may not be used as open space in the future, it will at least help fill in the "missing teeth" in the public access walkway along the Potomac River in Alexandria. If it is determined that the property should be used as parkland, then it will expand the City's waterfront parkland to the north. If the City acquires additional property along the Strand, as is recommended in the Open Space Plan and implementation actions, then that park area could expand further south.

Staff Recommendation

Staff recommends that the Planning Commission approve the acquisition of the subject property as consistent with the Master Plan, under section 9.06 of the Charter.

STAFF: Eileen Fogarty, Director

Richard Josephson, Deputy Director

PC Docket Item(s) #_//_

Case # <u>CC 906#200600</u>1

City of Alexandria, Virginia

MEMORANDUM

DATE:

FEBRUARY 7, 2006

TO:

cc:

CHAIRMAN AND MEMBERS, PLANNING COMMISSION

FROM:

MARK JINKS, DEPUTY CITY MANAGER W

SUBJECT:

PLANNING COMMISSION 9.06 CONSIDERATION OF THE ACQUISITION

OF 0 PRINCE STREET AND 200 STRAND STREET - ADDITIONAL

INFORMATION

As further elaboration and clarification of the use of the Strand properties (0 Prince Street and 200 Strand Street) after the City acquires them, the following information is provided.

As stated in the Docket item previously provided to the Planning Commission for the 9.06 hearing, after the City purchases the property later this month, the current owners of the two properties would be leasing back the properties from the City for a one-year period. They plan to continue their existing business operations (the retail store and commercial parking lot operations) during the one-year period, as well as continue to lease part of their property and to provide water access to the business which operates the two commercial dining ships which moor, board and unboard their customers at the Strand properties. After the one-year lease period, it would be the City's intent to continue to lease to the commercial dining operation at that site until such time that a decision is made (and implemented) in regard to the overall Strand-area waterfront plan, including a more long-term location (either at the current or at a nearby location) for the dining vessel operations. These dining vessel operations are part of the active use of the waterfront in the City, and represent the type of waterfront-related business that the City would want to retain over the long term.

Given the waterfront planning process will begin this year, it is not possible at this time for the City to state exactly where the dining vessel operations (and related parking) would be located over the long term. However, the City has had discussions with the current dining vessel operator and has indicated that this is a business which the City wishes to keep as part of the waterfront, and as a result we will work cooperatively in the waterfront planning processes towards that end.

Eileen Fogarty, Director, Planning and Zoning